UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

ENTERED
Clerk, U.S. District Court
JUN 24, 1996
Central District of California
By Deputy

FILED
Clerk, U.S. District Court
JUN 20, 1996
Central District of California
By Deputy

THIS CONSTITUTES NOTICE OF ENTRY
AS REQUIRED BY FRCP, RULE 77(d).

PACE DESIGN & FAB, INC., etc.,
Plaintiff,

v.

STOUGHTON COMPOSITES, INC., etc., et al.,
Defendants.

No. CV-94-4869-AWT

ORDER ON MOTION TO CONFIRM ARBITRATION AWARD

Before the court is plaintiff's motion for order confirming arbitration award. Defendant agrees that plaintiff is entitled to a judgment of confirmation, but disputes that plaintiff is entitled to either pre or post-judgment interest.[1] Plaintiff contends that it is entitled to both pre and post-judgment interest.

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[1] Other than the interest ordered by the arbitrator up to the maximum limit of an award in favor of plaintiff.

The stipulation for binding arbitration, which was drafted by plaintiff's counsel, does not mention interest, either pre or post-award or judgment. The stipulation does contain the following two paragraphs that bear on the interest issue:

(4) The parties agree that the maximum award that Plaintiff can recover on its complaint is $375.000.00 with a minimum of zero;

* * *

(6.) The parties agree that any award shall be paid within thirty (30) days of the arbitrator's decision and if not paid within said thirty (30) days may be converted into a judgment.

The arbitrator issued his award on March 22, 1996. He awarded to plaintiff $375.000.00, together with interest thereon at the rate of $95.72 per day from February 15, 1994 until paid. Pace is entitled to recover such sum but not to exceed the maximum stipulated amount of $375.000.00 as damages resulting from Stoughton's breach of its contractual obligations.[2]

It is obvious that the arbitrator's interpretation of the stipulation was that the cap on any award to plaintiff includes pre-award interest. The court accepts that interpretation as a reasonable one and within the province of the arbitrator. The next question then is whether the arbitrator's award should bear pre-judgment interest. This question is virtually the same as pre-award interest and should be answered in the same manner: No pre-judgument [*sic*] interest accrues on the award in excess of the cap. The cases cited by plaintiff are inapposite because none involves an agreement like this one.

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[2] Defendant also contends that the daily interest figure of $95.72 is erroneous. However, any mistake in this regard is inconsequential, if the arbitrator's award, including pre-award interest, is limited to $375.000.00.

It is reasonable to read the provisions of the stipulation together to provide that (1) no pre-judgment interest accrues, but that (2) if the award is not paid within 30 days, it "may be converted into a judgment." Thus, plaintiff is protected from further delay by its ability to convert the award into a judgment. This accomplishes two things for plaintiff: (1) It enables plaintiff to commmence [*sic*] judgment enforcement proceedings; and (2) the award commences to accrue interest from the date of its entry as a judgment. While the stipulation is silent on post-judgment interest, it is also silent on execution or other judgment-enforcement procedures. The court finds that the stipulation's cap on any award to plaintiff was not intended to preclude ordinary post-judgment interest any more than the stipulation's silence on post-judgment enforcement procedures was intended to prevent plaintiff from enforcing the judgment. Therefore, the court concludes that the judgment should bear interest from the date of its entry as provided in 28 U.S.C. § 1961(a) Judgment shall be entered consistent herewith.

IT IS SO ORDERED.

Dated: JUN 05 1996.

/s/ A. WALLACE TASHIMA
A. WALLACE TASHIMA
United States Circuit Judge